TENNESSEE FOREST PRODUCTS BULLETIN

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A CONDENSED REPORT ON FOREST PRODUCTS, PRICES, SPECIFICATIONS, EQUIPMENT, UTILIZATION NEWS, ETC.

MARKET REPORT

The hardwood lumber market continues to be just awful. It was "terrible" last quarter and has gotten worse !!! There just is not enough demand for the supply coming out of the sawmills. Many additional mills would be shut down it it were not for the good tie market. The pulpwood markets are another bright spot. The poor lumber market has many mills with low inventory and many loggers parking their equipment until things change. High diesel fuel cost and lower log prices have the loggers caught in the middle and finding it difficult to make any money. Mills are in a tough position, as well, with nearly every cost going up while the hardwood lumber prices have been steadily going down.

The export market for hardwood lumber is down nearly 16 percent according to the *Hardwood Market Report* for August 30, 2008. The US housing market is down approximately a third from a year ago. It will take a real shift in home construction before the hardwood lumber market improves. The historic $ 700 B rescue bill was passed today, we will have to see if that has any effect. Please don't hold your breath !!

EDITORIAL COMMENTS:

The tenth and final installment of Tennessee's 10 Most Common Myths and Misconceptions about Forestry and Wildlife Management.

MISCONCEPTION #10: IF PLENTY OF MAST-PRODUCING OAKS ARE PRESENT, THERE IS NO NEED TO WORRY ABOUT PROVIDING OTHER FOOD FOR WILDLIFE.

Wildlife food is produced in the forest environment by the trees in the overstory and by plants on the forest floor. Hardwood trees produce nuts, berries, and other fruits. Other plants on the forest floor such as shrubs, vines, forbs, fungi, and grasses produce browse, forage, fruit, seeds, and similar nutritious foods needed and used by a variety of game and non-game species.

Mast is a collective term for the fruit of forest plants used for food by wildlife. "Hard mast" consists of nuts such as acorns walnuts, pecans, beechnuts, and hickory nuts. So-called "soft mast" includes dogwood berries, wild cherries, persimmons, maple seed and the soft fruits of many other species. Mast is high energy food that provides many mammal and bird species the nutrition they need to maintain health for winter survival and reproduction. The size and health of wildlife populations are often directly related to variations in mast supply.

Because hard mast is so valuable, other foods needed by wildlife during each season of the year are sometimes dismissed unimportant. Although most species of wildlife feed on acorns and other mast, production of such food is seasonal and sporadic from year-to-year; so wildlife must seek a variety of foods in order to survive. Deer, for example, depend heavily on year-round forage and browse plants for food in addition to mast. Other species also need browse, forage, seeds, insects, and other foods during the year when mast is not available.

The best way to ensure reliable year-round supplies of food for wildlife is by managing our forests intensively. Every management activity affects wildlife and the food supply. Clearcut areas where timber is regenerated provide excellent year-round deer browse and forage. They also furnish fruit, seed, and insects needed by turkeys, quail, and many other game and non-game birds. When such areas are interspersed among forested areas of varying age and size, they provide access to food and cover needed by practically all species of native wildlife. Areas in which adequate food, cover, and water are provided on a continuous basis will attract and retain wildlife indefinitely.

Additional forest management practices which enhance wildlife habitat include periodic thinnings and prescribed burning, both of which give rise to nutritious browse growth, forbs, grasses, and seed-producing plants. Since all forest environments exist in a constant state of growth and change, harvest cuttings, thinnings, and prescribed burnings must by conducted every few years to maintain habitat of optimum quality for all wildlife species. Therefore, a decision to "do nothing" is, in fact, "doing something," since change is natural and inevitable.

In summary, the forest is capable of producing a wide variety of valuable foods needed by wildlife, but no single food source is sufficient for year-round use. Well planned, intensive forest management practices will provide the conditions necessary to produce adequate supplies of food for both game and non-game species during every season of the year—indefinitely.

CONCLUSION

Timber and wildlife **can** be managed on the same acreage. Sound timber management practices will create a dynamic forest habitat that can be modified to meet many specific wildlife objectives. Instances in which wildlife and timber management are incompatible are rare.

It should be recognized that the management policies and objectives of public agencies, wood-using industries, and non-industrial private landowners are diverse and may not always correspond with one's own management opinion or preference. Although it may be disturbing to see timber cut in an area where one preference. Although it may be disturbing to see timber cut in an area where one has hunted for years and which appears to be ideal wildlife habitat, changes brought about by cutting will almost always provide new habitat diversity and give rise to plants that will produce food needed by many wildlife species.

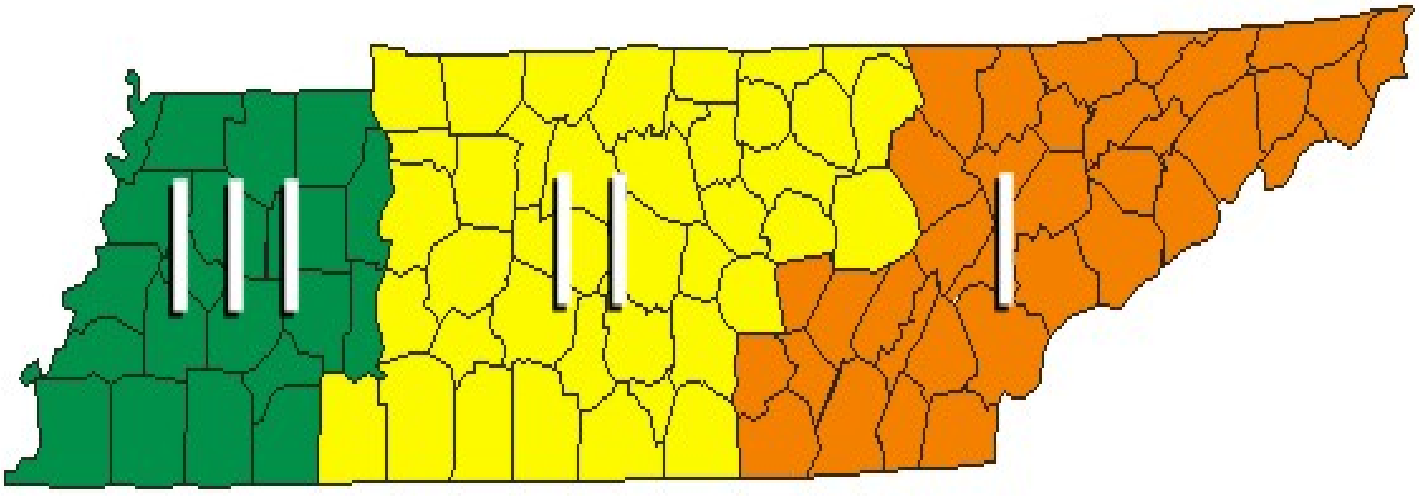
Thus, properly planned forest management can enhance wildlife habitat for most game and non-game species in Tennessee. Although it may not be the answer to all wildlife habitat problems, professional foresters and wildlife biologists, working together as a team, are demonstrating that forest and wildlife management are compatible on the same forestland acreage.

DELIVERED FOREST PRODUCT PRICES

PRODUCT	SPECIFICATIONS	PRICES	REGION
Cedar Logs	Length-6' to 12' and min DIB 4" at small end	**$75.00+/ton** (also $370/ MBF Cedar 2/3 Rule)	Region II
Crossties	7" X 9" X 8' 6" 7" X 8" X 8' 6" 6" X 8" X 8' 6"	Oak / Mixed Hdwd Grade 5: **$23+** **$23+** Grade 4: **$17.50+** **$17.50+** Grade 3: **$13+** **$13+** **Market very good. Hot.**	Region I, II, & III
Hickory Handle Logs	Min length 10' and min DIB 9" at small end	Grade 1: $475/MBF Doyle Grade 2: $425/MBF Doyle Grade 3: $350/MBF Doyle	Region I, II, & III
White Oak Stave Logs	White Oak-Length: 8 1/2" and add on 2' increments (allow 1 knot per 3' of length", and min. DIB 12" at small end	Grade 1: $750/MBF Doyle Grade 2: $600/MBF Doyle Grade 3: $500/MBF Doyle	Region I, II, & III
Paulownia Logs	Min. length 8' and Min. DIB 8" at small end (Must be slow grown – prefer 8-10 growth rings per inch) season Oct to April	$1,000.00 to $3,000.00/MBF Doyle (Depending on grade) **Only buying good logs. Market very poor.**	Region I, II, & III
NOTE: Information is taken from a survey of randomly selected wood-using industries in Tennessee.	Specifications vary with industries	All prices are regional averages and are delivered prices per MBF Doyle unless otherwise indicated. They are subject to change and will vary locally. ("**+**" indicates an increase since our last bulletin; "**-**" indicates a decrease).	Region I-East Tennessee; Region II-Middle Tennessee; Region III-West Tennessee (See map on page 4)

Delivered Forest Products Prices (cont)

Pine Pulpwood	Pine: Diameter, length, and species may vary with purchasing company. Consult firm first before cutting	**$24+/ton or $64.20/cord** $27+/ton or $72.23/cord (5350 lbs./ cord) (Gatewood Price)	Region I Region II & III
Hardwood Pulpwood	Hardwood: Diameter, length, and species may vary with purchasing company. Consult firm first before cutting	**$26.50+/ton or $76.85/cord** **$27+/ton or $78.30/cord** (5800 lbs. cord) (Gatewood Price)	Region I Region II & III
Softwood Logs	Length: 8'-16' and min DIB 6" at small end	SY Pine: $210/MBF Doyle White Pine: $240/MBF Doyle Hemlock: $220/MBF Doyle SYPine CNS: $25/ton SYPine Sawlog: $35/ton	Region I & II Region II & III (TN locations)
Veneer Logs	Prime logs only (specifications vary with buyer). **Season: Oct to April**	Red Oak: $700-$1,000/MBF Doyle White Oak: $1,000-$2,000/MBF Doyle Walnut: $1,000-$2,000/MBF Doyle	Region I, II, & III



Product: Hardwood Sawlogs

Specifications: (Length: 8'-16'; and Min. DIB 8 " at small end) Delivered Prices

SPECIES	*REGION I*	*REGION II*	*REGION III*
Red Oak	Grade 1: $715 Grade 2: $415 Grade 3: **$235+**	Grade 1: **$625-** Grade 2: **$380-** Grade 3: **$230-**	Grade 1: **$570-** Grade 2: $385 Grade 3: $275
White Oak	Grade 1: $910 Grade 2: $525 Grade 3: $255	Grade 1: **$930+** Grade 2: **$470-** Grade 3: $250	Grade 1: **$1025-** Grade 2: **$475+** Grade 3: $270
Ash	Grade 1: $415 Grade 2: **$275+** Grade 3: **$165+**	Grade 1: **$550+** Grade 2: $320 Grade 3: $200	Grade 1: **$415+** Grade 2: $290 Grade 3: $200
Yellow Poplar	Grade 1: $400 Grade 2: $255 Grade 3: $155	Grade 1: $415 Grade 2: $275 Grade 3: $180	Grade 1: **$370-** Grade 2: $255 Grade 3: $190
Walnut	Grade 1: **$900-** Grade 2: **$520-** Grade 3: **$255-**	Grade 1: **$1440-** Grade 2: **$640-** Grade 3: **$355-**	Grade 1: **$1525-** Grade 2: **$520-** Grade 3: $245
Cherry	Grade 1: **$1010-** Grade 2: **$430-** Grade 3: **$220-**	Grade 1: **$995-** Grade 2: **$450-** Grade 3: **$230-**	Grade 1: $875 Grade 2: $442 Grade 3: $255
Hard Maple	Grade 1: **$800+** Grade 2: **$375+** Grade 3: $210	Grade 1: **$750+** Grade 2: **$390-** Grade 3: $210	Grade 1: $ 0* Grade 2: $322 Grade 3: $230
Hickory	Grade 1: $325 Grade 2: $250 Grade 3: $165	Grade 1: **$405+** Grade 2: **$260-** Grade 3: **$175-**	Grade 1: $ 0* Grade 2: $280 Grade 3: $205
Miscellaneous Hardwoods	Average: **$175+**	Average: **$200+**	Average: $180

*****Note:** Prices quoted are per thousand board feet (MBF) Doyle Rule delivered to mill.*
**Not enough data.*